This record is a partial extract of the original cable. The full text of the original cable is not available.

UNCLAS SECTION 01 OF 02 SANTO DOMINGO 003946

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DEPT FOR WHA, WHA/CAR, WHA/AND, INR, EB/ESC/IEC/EPC; NSC FOR SHANNON USCINCSO ALSO FOR POLAD; TREASURY FOR OASIA-MAUREEN WAFER; USDA FOR FAS; USDOC FOR 4322/ITA/MAC/WH/CARIBBEAN BASIN DIVISION; USDOC FOR 3134/ITA/USFCS/RD/WH; DHS FOR CIS-CARLOS ITURREGUI

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TAGS: DR ETRD PGOV SUBJECT: DOMINICAN POLITICS #35: PRD OUTLINES THE FUTURE

REF: 05 SANTO DOMINGO 3877

 $\underline{\P}1$ . (SBU) Following is number 35 in our series on Leonel Fernandez's first year in office:

PRD Decision Makers Outline the Future

Senate vice president Cesar "Yayo" Matias and three of his senatorial colleagues invited the political officer to lunch on August 5, along with PRD student leader Rudy de los Santos. Matias, Senator "Chu" Vasquez, Senator Ramon Alburquerque (new PRD party president), and Senator Angel Perez (PRD) collectively emphasized their desire to continue their exchanges with the Embassy. Matias said they appreciated our help on repeal of the protectionist tax on corn syrup-sweetened beverages last year and the debate on DR-CAFTA this year. Poloff said we were receptive to further dialog on issues of mutual interest. "Chu" wanted us to pass his greetings to the Ambassador.

Wind shifting toward DR-CAFTA: All said that the Senate is ready to ratify as soon as possible after it reconvenes. When questioned, Alburquerque - who has taken a hard public line emphasizing a need for fiscal reform and compensator measures to be enacted along with DR-CAFTA - said that the Senate should ratify right away and deal with tax reform later. The compensatory measures in a bill that he submitted last November and resubmitted more recently - including automatic reimbursement of the ITBIS on imports of machinery and tax breaks for modernization of agroindustries certainly should be considered, he said. But would he hold DR-CAFTA hostage to compensatory measures? No, he replied.

Timing of DR-CAFTA ratification: Matias initially said this would occur within days after August 16. Vasquez said that was unrealistic given required activities at the start of a new legislative sesson; the Senate would be likely to ratify DR-CAFTA sometime in September.

Concern over illegal drugs: "Chu" Vasquez said he is increasingly and specifically concerned over the impact on the political parties of drug trafficking and consumption and drug-related money. New legislation is needed; he plans to propose a law requiring that all PRD candidates to elective office submit to drug testing and get a good conduct certificate from the DNCD. He said the Senate would like to have discussions with DEA at the Embassy.

Modernization and Reform of the Congress: Regarding the IDB-funded project that is moving toward completion, a code of ethics is still pending approval. "Chu" Vasquez, chairman of the Senate Ethics Committee, said he had not been invited by Senate president Andres Bautista to participate in a working discussion of the proposed code. "Chu" has his own draft ethics code that he believes could make a contribution to the discussion.

New PRD leadership: Sen. Ramon Alburquerque was elected PRD president and Yayo Matias, and "Chu" Vasquez were elected vice presidents of the PRD in the July 10 national election for party officers. They are also members of the 57-member Presidium, the 189-member Political Committee, and the 1350-member National Executive Committee (which includes provincial and local party officials). This was the first real grass-roots election the PRD had held since long before Pena Gomez's death in 1998. Elections for the leaders of the 12 "mass fronts" - of women, youth, professionals, et al will take place September 18.

One of the decisions taken by hand vote among the 5000 delegates to the convention that installed the new officials on July 16 was that any PRD member or officeholder who does not follow the party's positions could lose the PRD endorsement as a candidate in a future election. " Vasquez believes this will improve party discipline so the PRD can provide united and constructive opposition. This will also make the PRD a more valuable interlocutor for the Embassy, he commented.

Elections of Senate officers: The senators confirmed the PRD decision to present Andres Bautista for reelection as Senate president on August 16. Matias, who had also run for the job, barely concealed his disappointment. When asked who would be the new vice president, Matias and Vasquez looked at each other uncertainly, then said maybe both of them would be chosen as co-v.p.'s; Both evidently are contending for the spot. Several secretaries will also be elected for the one-year term of house officers. Senator Anibal Garcia Duverge, newly elected PRD secretary of organization, has also been chosen to continue serving as the PRD spokesman in the Senate.

Impression: Matias (from Valverde), Vasquez (from Maria Trinidad Sanchez), Alburquerque (from Monte Plata), and Perez (from Pedernales) appear to be loosely allied against Senate president Bautista, at least in politicking for positions. Alburquerque, until he left early for another engagement, dominated the conversation in an avuncular way and outshone the others in general knowledge, drawing on his experiences as a student in Canada, France, and the United States.

## 12. (U) Drafted by Bain Cowell.

13. (U) This piece and others in our series can be consulted at our SIPRNET site http://www.state.sgov.gov/p/wha/santodomingo/ along with extensive other material.